

To: VA LCOs and Staff

Subject: CFM ORP VA-Wide Leasing Policy Alert 2023-01: Prospectuses for Alterations in Leased Space

Date: Monday, October 17, 2022 9:31:29 AM

Attachments: [GSAs Appendix B - Lease Guidance - Includes GSAs FY23 FY24 FY25 Threshold.pdf](#)

Good morning!

Office of Construction and Facilities Management's Office of Real Property's VA-Wide Leasing Policy Alert 2023-01: Prospectuses for Alterations in Leased Space

This policy alert is being issued to notify VA leasing officials of the prospectus requirement for post-Government occupancy alterations in leased space when the estimated cost exceeds the threshold outlined in 40 U.S.C. § 3307 as indicated in GSA's Leasing Desk Guide (LDG), Chapter 11, Part 13, Prospectuses for Alterations in Leased Space. VA's Supplement to GSA's LDG, issued December 22, 2017, incorrectly reflects Chapter 11, Prospectuses for Alterations in Leased Space (formerly Part 12) as not applicable to VA leases.

VA is required to submit a prospectus and obtain a resolution from the Committee on Environment and Public Works of the Senate and Committee on Transportation and Infrastructure of the House of Representatives in the following situations:

- Post-Government occupancy alterations in leased space when the estimated project cost exceeds the annually adjusted threshold at [GSA Annual Prospectus Thresholds | GSA](#). Since this site nor OMB's A-11 yet reflect GSA's updated prospectus threshold, see attached for the approved increase starting in FY2023.
 - For expansions, the prospectus requirement applies to expansion space alterations when the cost of required renovations to the existing leased space to accommodate or connect the expansion space exceeds the annually adjusted threshold.
 - For FY2023, the lease alteration threshold is \$1,806,500.
- If alterations to an existing lease result in the average annual rent

meeting or exceeding the prospectus lease threshold outlined in 38 U.S.C. § 8104.

- For FY2023, the average annual rent threshold is \$3.613M.

VA leasing officials should contact CFM ORP for further assistance.

This policy alert is effective immediately and remains in effect until the updated VA Supplement to GSA's LDG is released later this fiscal year.

Please submit any questions or concerns to CFM ORP Policy and Programs at VACO003C7APolicyandProgramsTeam@va.gov.

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